

# **Town of Bethlehem Financial Report**



**FOR THE YEAR ENDING  
DECEMBER 31, 2008**

**JOHN H. CUNNINGHAM  
SUPERVISOR**

**JOANN DAWSON  
MARK HENNESSEY**

**KYLE KOTARY  
SAM MESSINA**

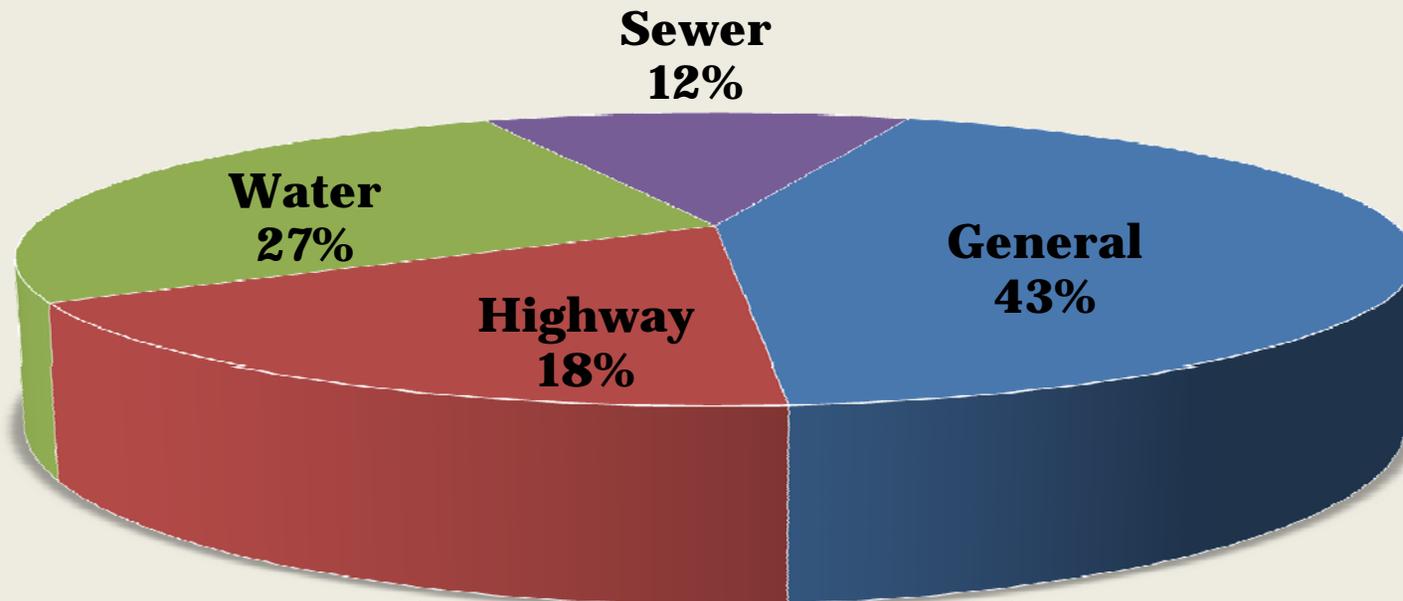
**BETHLEHEM TOWN BOARD**

# Four Separate Funds

(based on Net Assets)



*Water & Sewer Funds benefit a subset of residents*



*General Town & Highway Funds benefit all residents*

# Budgeted to Actual Results

	General	Highway	Water	Sewer
Budgeted Revenue	\$16,496,000	\$6,131,000	\$8,476,000	\$3,969,000
Budgeted Expenses	17,371,000	6,438,000	9,450,000	4,366,000
Budgeted Surplus (Shortfall)	-875,000	-307,000	-974,000	-397,000
Actual Revenue	18,839,348	6,004,854	7,964,325	3,803,605
Operating Expenses	19,014,692	6,161,734	8,374,622	3,732,364
Operating Surplus (Shortfall)	-175,344	-156,880	-410,297	71,241
Transfer to Reserve	0	0	0	0
Surplus (Shortfall)	-175,344	-156,880	-410,297	71,241
Fund Bal, 12/31/07	4,643,429	1,874,470	2,760,635	1,261,274
Fund Bal, 12/31/08	\$4,468,085	\$1,717,590	\$2,350,338	\$1,332,515

# Budgeted to Actual Results

	General			
Budgeted Revenue	\$16,496,000			
Budgeted Expenses	17,371,000			
Budgeted Surplus (Shortfall)	-875,000			
Actual Revenue	18,839,348			
Operating Expenses	19,014,692			
Operating Surplus (Shortfall)	-175,344			
Transfer to Reserve	0			
Surplus (Shortfall)	-175,344			
Fund Bal, 12/31/07	4,643,429			
Fund Bal, 12/31/08	\$4,468,085			

# Budgeted to Actual Results

		Highway		
Budgeted Revenue		\$6,131,000		
Budgeted Expenses		6,438,000		
Budgeted Surplus (Shortfall)		-307,000		
Actual Revenue		6,004,854		
Operating Expenses		6,161,734		
Operating Surplus (Shortfall)		-156,880		
Transfer to Reserve		0		
Surplus (Shortfall)		-156,880		
Fund Bal, 12/31/07		1,874,470		
Fund Bal, 12/31/08		\$1,717,590		

# Budgeted to Actual Results

			Water	
Budgeted Revenue			\$8,476,000	
Budgeted Expenses			9,450,000	
Budgeted Surplus (Shortfall)			-974,000	
Actual Revenue			7,964,325	
Operating Expenses			8,374,622	
Operating Surplus (Shortfall)			-410,297	
Transfer to Reserve			0	
Surplus (Shortfall)			-410,297	
Fund Bal, 12/31/07			2,760,635	
Fund Bal, 12/31/08			\$2,350,338	

# Budgeted to Actual Results

				Sewer
Budgeted Revenue				\$3,969,000
Budgeted Expenses				4,366,000
Budgeted Surplus (Shortfall)				-397,000
Actual Revenue				3,803,605
Operating Expenses				3,732,364
Operating Surplus (Shortfall)				71,241
Transfer to Reserve				0
Surplus (Shortfall)				71,241
Fund Bal, 12/31/07				1,261,274
Fund Bal, 12/31/08				\$1,332,515

# Fund Revenue Trends (in thousands)



	2008	2007	2006
Real Property Taxes	\$11,800	\$11,219	\$10,730
Non-property Tax Items	10,610	10,309	10,149
User Fees	11,243	11,706	11,363
Miscellaneous	460	425	456
Gov't Aid	<u>2,048</u>	<u>2,328</u>	<u>2,236</u>
<b>Total Revenues</b>	<b>\$36,163</b>	<b>\$35,990</b>	<b>\$34,936</b>

**Overall increase in revenues 2006 to 2007**

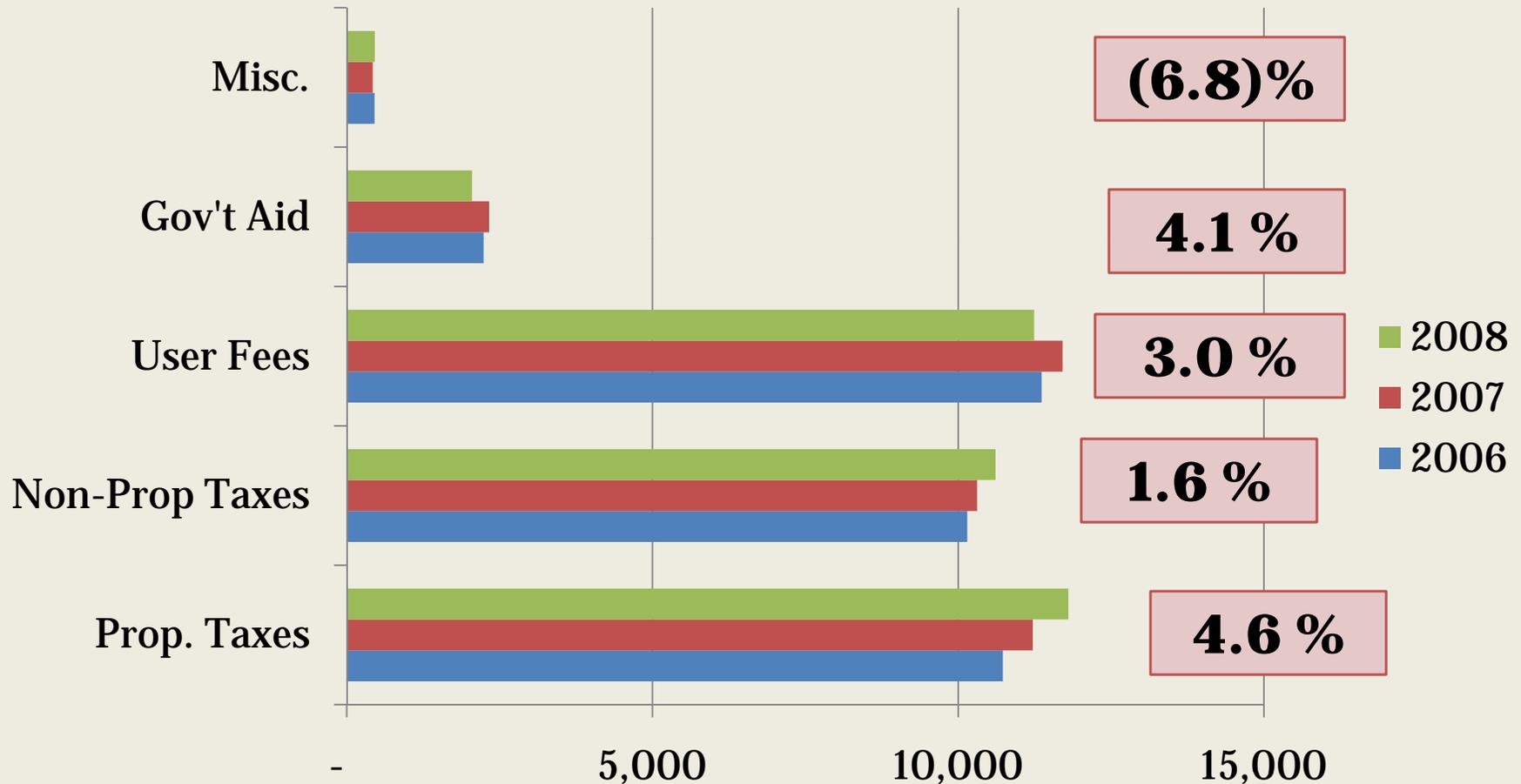
**3 %**

**Overall increase in revenues 2007 to 2008**

**1/2 %**

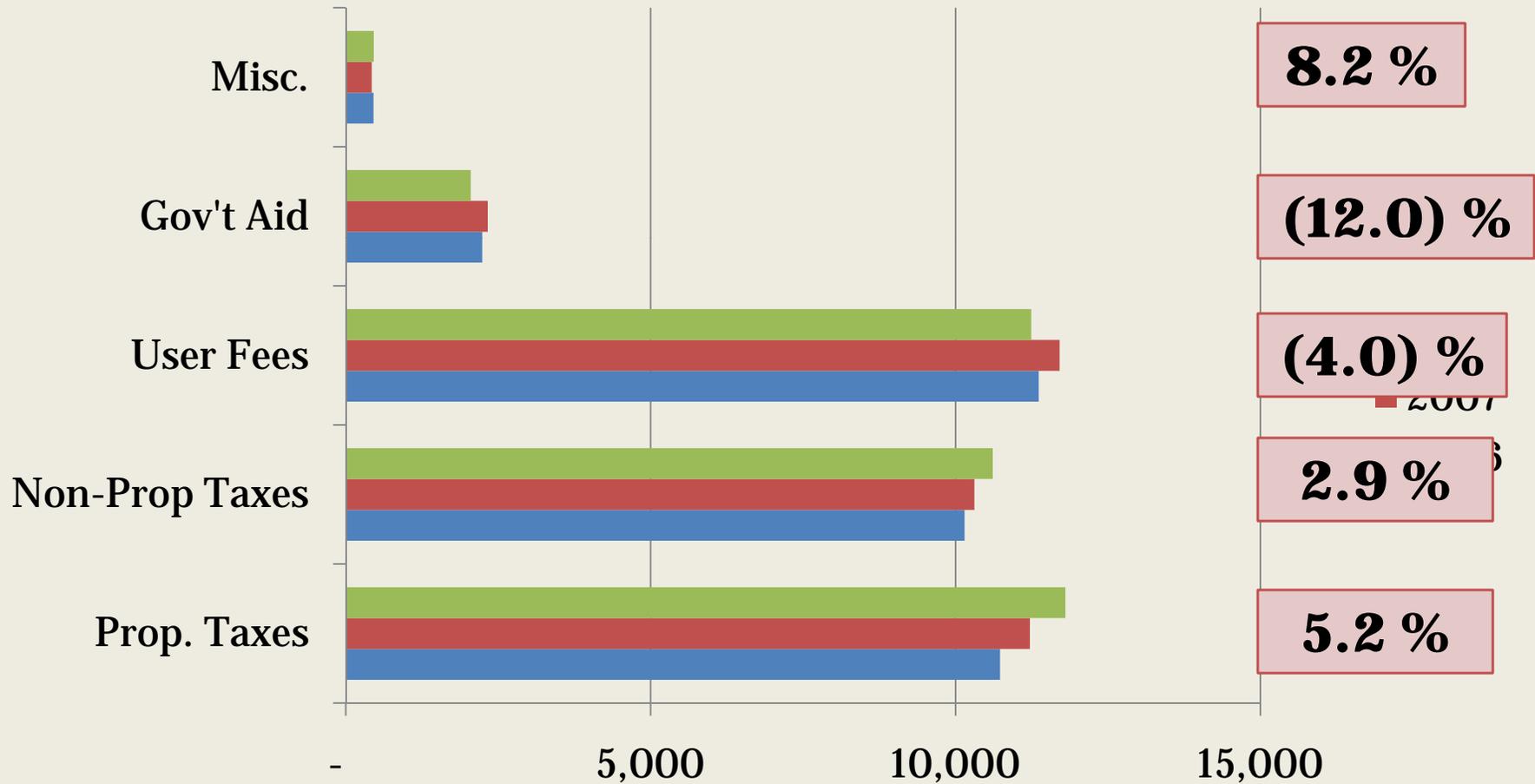
# Fund Revenue Trends (in thousands)

% Increase (Decrease) from 2006 to 2007



# Fund Revenue Trends (in thousands)

% Increase (Decrease) from 2007 to 2008



# Fund Expense Trends (in thousands)

	2008	2007	2006
Personal Services	\$15,334	\$14,483	\$13,572
Fringe Benefits	5,279	4,867	4,630
Equipment	2,227	1,424	1,739
Contractual	10,722	10,318	9,434
Debt Service	1,677	1,981	2,127
Misc.	<u>440</u>	<u>2,248</u>	<u>3,545</u>
<b>Total Expenses</b>	<b>\$35,679</b>	<b>\$35,321</b>	<b>\$35,047</b>

**Overall increase in expenses 2006 to 2007**

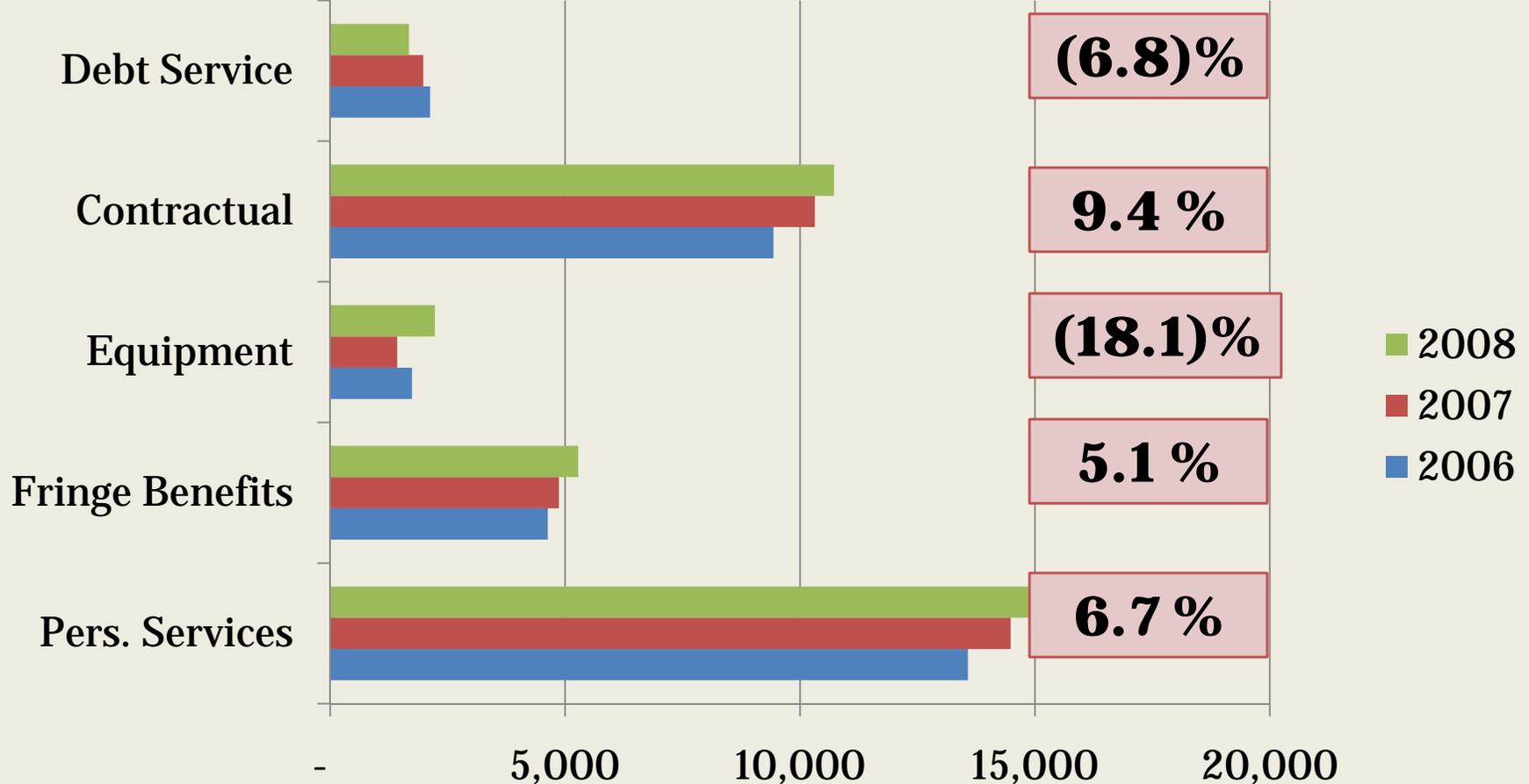
1.0%

**Overall increase in expenses 2007 to 2008**

1%

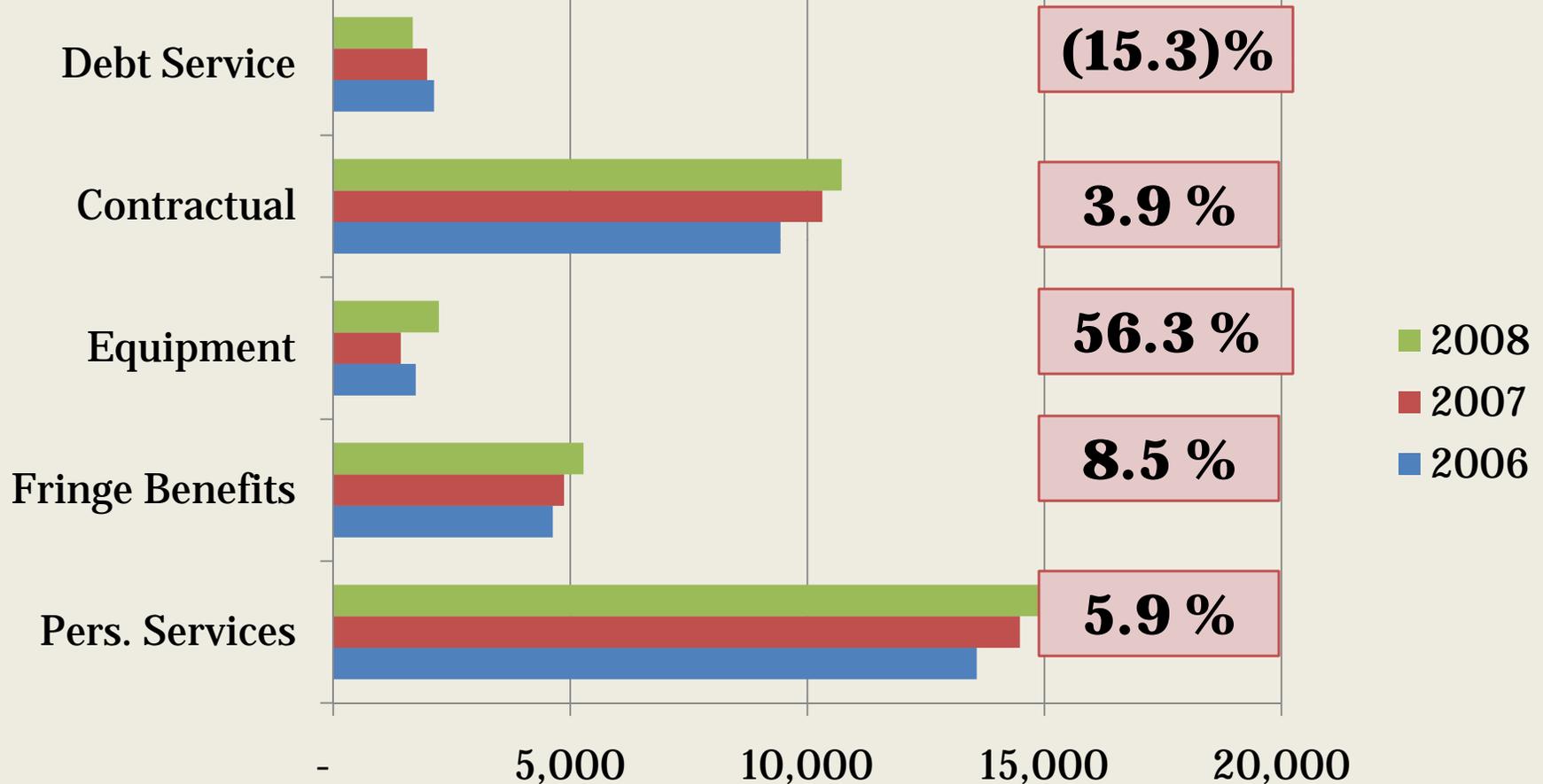
# Fund Expense Trends (in thousands)

% Increase (Decrease) from 2006 to 2007



# Fund Expense Trends (in thousands)

% Increase (Decrease) from 2007 to 2008



# Town of Bethlehem First Quarter Results



## **FIRST QUARTER 2009**

**JOHN H. CUNNINGHAM**  
**SUPERVISOR**

**JOANN DAWSON**

**KYLE KOTARY**

**MARK HENNESSEY**

**SAM MESSINA**

**BETHLEHEM TOWN BOARD**

# General Fund First Quarter Results



	<b>2009 Actual</b>	<b>2008 Actual</b>	<b>Variance</b>
Revenue	\$4,484,381	\$4,881,944	(397,563)
Expenditures	3,901,161	3,974,766	(73,605)
Estimated Over/(Under)	\$583,220	\$907,178	<b>(323,958)</b>

# Annual Sales Tax Revenue

2009 Actual	2009 Budgeted	2008 Actual	2008 Budgeted
2,366,474	2,575,000	2,534,577	2,421,250

Note: The 2009 first quarter revenues are 7% less than the 2008 results and 8% less than budgeted.

# Highway Fund First Quarter Results



	<b>2009 Actual</b>	<b>2008 Actual</b>	<b>Variance</b>
Revenue	\$4,759,571	\$4,650,444	109,127
Expenditures	1,324,524	1,368,352	-43,828
Estimated Over/(Under)	\$3,435,047	\$3,282,092	<b>152,955</b>

# Water Fund First Quarter Results



	<b>2009 Actual</b>	<b>2008 Actual</b>	<b>Variance</b>
Revenue	\$2,707,888	\$2,485,472	222,416
Expenditures	2,042,350	2,325,929	(283,579)
Estimated Over/(Under)	\$665,538	\$159,543	<b>505,995</b>

# Sewer Fund First Quarter Results



	<b>2009 Actual</b>	<b>2008 Actual</b>	<b>Variance</b>
Revenue	\$1,930,325	\$1,864,406	65,919
Expenditures	616,075	724,663	(108,588)
Estimated Over/(Under)	\$1,314,250	\$1,139,743	<b>174,507</b>

# Long-term Financial View



- **Current economic conditions have impacted revenue from sales tax by an estimated \$700,000**
- **Town operations have been adjusted to address this operational shortfall**
  - Deferred Purchase
  - Project Delays
  - Hiring Freeze/Position Reductions
  - Use of reserves
  - Reduction in pool hours
  - Reduction in fuel costs
- **Strong 2008 finish provides a foundation for managing through the 2009 budget through the economic slowdown**

# Long-term Financial View



- Economist predictions for 2010 economic conditions are inconsistent
- The Town continues to pursue any outside revenue source to fund projects and operation to avoid over reliance on residential property tax
- The Town is aggressively working promote regionally significant economic development to help underwrite the tax burden to the residential taxpayer
- Wet conditions continue to impact Water budget revenue
- Infrastructure improvements will require financial support to move forward